Ms. Mozal’s Mortgage Project

I am a secondary math teacher in Arizona with 8 years of experience and two Master’s Degrees. Because of this, I am in the 75th percentile for my job. I also teach at the community college for a second income, so I am in the 10th percentile (part time). Joe works as a district manager and has several years of experience. This means he falls in the 50th percentile.

|  |  |  |
| --- | --- | --- |
| Ms. Mozal’s High School Pay | Ms. Mozal’s College Pay | Joe’s Pay |
|  |  |  |

Our gross income is. We have several debts to take into account: Car Payments are $550 per month, the Whataburger hospital bill is $150 per month, the mattress is $114 per month, other debt is $700.

Therefore, our adjusted monthly income is . Notice that I changed it to 20% for my adjusted income. This is because we are both saving heavily for retirement and we want to make sure that doesn’t effect us negatively. The house we are building is going to cost $322,112. We are planning on paying $45,000 as a down payment. Our HOA fees will be $190 per month. Taxes will be $250 per month and Homeowners insurance will be $155 per month. Because Joe was in the military and we have really good credit, our interest rate will be 3.25% on a 30 year mortgage (Our table doesn’t go that low, so I am going to calculate it with 4%). Our downpayment is not the full 20% of the purchase price of the house, we have to pay Mortgage Insurance of $150 per month as well.

|  |  |
| --- | --- |
| Price of House | 322112 |
| Down payment | 45000 |
|  |  |
| Mortgage amount | 277112 |
|  |  |
| Table Amount | 4.77 |
|  | = |
| Principal & Interest | 1321.82 |
| Taxes, etc. |  |
| Total Mortgage Payment | 2066.82 |

Therefore, based on my calculations, we can afford our house. Ideally, I would like to have more money down to avoid the Mortgage Insurance.